

# Impact Evaluation of the Tanzania Threshold Country Program

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# Program Overview

**Goal:** Reducing levels of corruption such that Tanzania would meet Compact Loan requirements

## **Four Components:**

- Reduce corruption in **public procurement**
- Improve enforcement of **rule of law**
- Enhance role of **non-governmental sector** to monitor corruption
- Creation of a **Financial Intelligence Unit (FIU)**

Fourteen interventions conducted under all components.

# Corruption Environment

- Tanzania qualified for a Compact Loan *prior to* TCP implementation
- Large improvement in Tanzania's WGI Control of Corruption score from 2005 to 2006, slight decline thereafter
- Passage of major anti-corruption legislation prior to TCP (2004)
- Increasing political salience of corruption
  - ▶ substantial issue in 2005 elections
  - ▶ several major anti-corruption cases investigated and brought to trial – several directly pertaining to TCP interventions

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  - ▶ Results of Investigative Journalist training program
- FIU
  - ▶ Progress of FIU creation

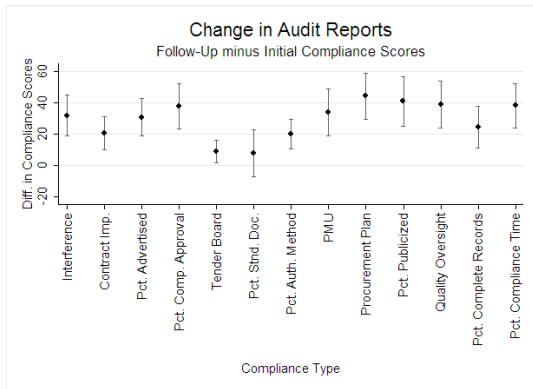
# Public Procurement Audit Evaluation

**Intervention:** 38 Audits of Procuring Entity Compliance with Procurement Regulations

**Evaluation Design:** Compare Initial Audits with Follow-Up Audits Conducted in the Following Fiscal Year. Further Compare Initial Audits in One Fiscal Year to Initial Audits of Different Procuring Entities the Following Fiscal Year.

**Data:** Compliance Indicators Constructed by TCP Participants (Public Procurement Regulatory Authority (PPRA) and Kilimanjaro International). Overall Compliance Indicator Constructed by Authors.

# Public Procurement Audit Results



Also a roughly 1.5 standard deviation improvement in overall compliance.

Nearly all improvement attributable to auditing rather than trends in compliance over time.

# Training of the Prevention and Combatting of Corruption Bureau (PCCB)

**Intervention:** Training in Basic, Intermediate and Advanced Economic and Financial Crimes Investigations

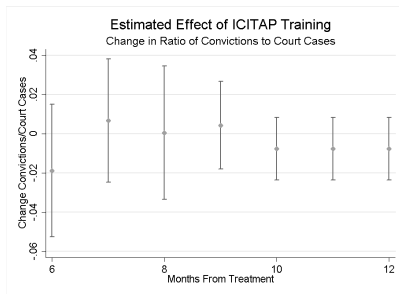
## **Evaluation Design:**

- Compare Changes in the Conviction Rate, Prosecution Rate, and Ratio of Investigations to Referrals in Districts that Participated More Heavily in Training to those that Participated Less Heavily.
- Semi-structured Interviews with PCCB Regional Bureau Chiefs

**Data:** PCCB Internal Records on Referrals, Investigations, Prosecutions and Convictions. Interview Outcomes.



# Results of PCCB Training



Similar results across all outcome measures. Similar results differentiating between types of training.

Approx.  $\frac{1}{2}$  interview participants noted no follow-up to disseminate training within units.

Many interviewees concerned about duration of training, relevance to Tanzanian environment.

# PETS Training

**Intervention:** Training Provided to PETS Committees in 77 of 123 of Mainland Tanzania's Districts

## **Evaluation Design:**

- Compare Changes in Pct. of Questioned Expenditures and Auditor Ratings in Trained Districts to Untrained. Use Propensity Score Matching to Test Robustness.
- Interview PETS Council Chairs in 15 Randomly Selected Districts.

**Data:** Local Government Audits from Controller and Auditor General's Office. Interview Results.

## PETS Training: Results

	<b>Model 1</b>	<b>Model 2</b>
PETS training	0.009 [-0.036,0.053]	0.009 [-0.037,0.056]
CGG training		-0.004 [-0.084,0.076]
$\hat{\sigma}^2$	0.120	0.121

Similar results looking at auditor opinions. Similar results after matching.

Interviews indicate that all 15 PETS Councils continue to meet on monthly or quarterly basis.

Nearly all interviewees report discovering at least 1 incident of improperly documented expenditures

# Investigative Journalist Training

**Intervention:** 312 Journalists and Editors Received Training in Various Aspects of Investigative Methods.

## Evaluation Design:

- Examine Changes in the Rate at which Journalists Produce Articles. Compare Journalists that Receive Training to those that Do Not.
- Examine Changes in the Quality of Articles Produced by Journalists Over Time. Compare Journalists that Receive Training to those that Do Not.

## Data:

- A Comprehensive Set of Press Clippings of Articles Related to Corruption and Good Governance Published in Dar es Salaam.
- Ratings of Individual Articles from a Randomly Selected Set of Journalists by Four Evaluators. These Ratings are then Passed Through an Item Response Theory Measurement Model to Construct a Measure of Quality.

# Investigative Journalist Training: Quantity Results

	<b><math>\Delta</math> No. Articles</b>
Corruption & Good Governance	-0.079 [-0.287,0.128]
MISA-Tan	0.010 [-0.004,0.024]
PETS	0.095 [-0.228,0.418]
Powers	0.551** [0.198,0.904]
Lake Zone	0.210 [-0.020,0.440]
Natural Resources Management	-0.238 [-0.780,0.304]
Southern Highlands Zone	-0.061 [-0.454,0.333]
Southern Zone	-0.379 [-0.914,0.156]
Procurement	0.272
$\hat{\sigma}^2$	0.717

# Investigative Journalist Training: Quality Results

	Baseline Model	Partisan Model
Training	-0.287 [-0.592,0.017]	-0.058 [-0.586,0.470]
Pro Opposition Paper		0.562*** [0.247,0.876]
Pro Gov't Paper		-0.075 [-0.740,0.589]
Pro Opposition Paper * Training		-0.282 [-0.710,0.145]
Pro Gov't Paper * Training		-0.232 [-0.650,0.186]
Author Fixed-Effects	✓	✓
Time Fixed-Effects	✓	✓
$\hat{\sigma}^2$	0.499	0.493

# FIU Intervention

**Intervention:** Pass an Anti-Money Laundering Law and Establish an FIU

**Evaluation Design:** Qualitative Interviews with FIU Staff, Document Review, Consult Report by Regional Anti-Money Laundering Group

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- Issues of authority over non-banking financial institutions and authority over Zanzibar. Evidence that FIU is looking to address these.
- Lack of enforcement power may prove to be a long-term problem. All suspicious transactions referred to police authorities. Central bank charged with ensuring compliance with reporting requirements.

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  - ▶ Suggestion: Plan for evaluation *ex ante* and develop appropriate indicators with program participants – e.g., individual-level data for individual-level training

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  - ▶ Select groups eligible for treatment and randomize provision of treatment within those groups